

## Message Text

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PAGE 01 STATE 116622

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ORIGIN IO-13

INFO OCT-01 CIAE-00 CU-04 INR-07 NSAE-00 USIA-15 EUR-12

ISO-00 AID-05 /057 R

DRAFTED BY IO/CMD;DNFORMAN

APPROVED BY IO/UNESCO;RDFORSTER

IO/CMD - ECHESKY

AID/PPC/IA - MLBECKER

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R 121955Z MAY 76

FM SECSTATE WASHDC

TO AMEMBASSY PARIS

INFO USMISSION USUN NEW YORK

AMEMBASSY ROME

AMEMBASSY VIENNA

AMEMBASSY LONDON

USMISSION GENEVA

UNCLAS STATE 116622

NESCO

E.O11652: N/A

TAGS: UNDP, EAID, AORG, UNESCO, OCON

SUBJECT: UNESCO GUIDANCE FOR 99TH EXECUTIVE BOARD:

ROME FOR FODAG, VIENNA FOR UNIDO, LONDON FOR IMCO

REF: STATE 038843

1. GENERAL BACKGROUND ON MEASURES TO DEAL WITH UNDP  
FINANCIAL CRISIS IS CONTAINED IN REFTEL, WHICH WAS SENT  
TO ALL DIPLOMATIC POSTS IN FEBRUARY. DELEGATION SHOULD  
DRAW ON THIS AS NEEDED.

2. USDEL SHOULD NOTETHAT MANY EXPLANATIONS OF THE CAUSES  
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PAGE 02 STATE 116622

OF THE UNDP LIQUIDITY CRISIS HAVE EMPHASIZED THE DECLINE

IN CONTRIBUTIONS BY A LARGER DONOR (I.E., THE U. S.). AS INDICATED IN REFTEL, THERE WERE SEVERAL IMPORTANT CONTRIBUTING CAUSES, INCLUDING LARGE ACCUMULATION OF UNUSABLE EASTERN EUROPEAN CURRENCIES, DELAYED PAYMENTS OF PLEDGES BY MANY COUNTRIES, INFLATION, AND INADEQUATE REPORTING ON EXPENDITURES WHICH ROSE AT A MUCH FASTER RATE THAN ANTICIPATED (PARA 2, REFTEL). THE CRISIS HAS UNDERLINED THE INADEQUACY OF THE SLOW AND CUMBERSOME PROCEDURES IN EFFECT FOR MAKING AND REPORTING EXPENDITURES BY THE UNDP, THE EXECUTING AGENCIES, AND THE FIELD POSTS (PARA 3, I (II) OF REFTEL).

3. USDEL SHOULD STRESS THAT UNESCO COOPERATION WITH UNDP IS VITAL NOT ONLY IN IACB (INTERAGENCY CONSULTATIVE BOARD) AND ITS WORKING GROUPS BUT ACROSS THE BOARD, TO DEVELOP MUCH MORE EFFICIENT PROCEDURES FOR REDUCING FUNDS IN THE PIPELINE AND FOR SPEEDING UP ACCOUNTING FOR FUNDS USED SO THAT MORE ACCURATE INFORMATION WILL BE AVAILABLE ON RESOURCE NEEDS AND AVAILABILITIES AND MORE EFFECTIVE USE CAN BE MADE OF LIMITED UN RESOURCES. THIS SHOULD REDUCE THE LIKELIHOOD OF ANOTHER LIQUIDITY CRISIS AND THE RESULTING SERIOUS EFFECTS OF FORCED CUTBACKS IN PROGRAMS.

4. (FYI: WE ARE INFORMED THAT AT A MEETING THIS SPRING/ PROGRAM WORKING GROUP OF THE IACB, THE UNDP AND SPECIALIZED AGENCY REPRESENTATIVES CAME TO AN IMPASSE ON THE QUESTION OF DETAILED AND FREQUENT FINANCIAL REPORTS OF AGENCIES ON INDIVIDUAL PROJECTS. END FYI). KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, FINANCIAL CRISIS, INTERNATIONAL ORGANIZATIONS, COMMITTEES, DEVELOPMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 MAY 1976  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Subject:** UNESCO GUIDANCE FOR 99TH EXECUTIVE BOARD: ROME FOR FODAG, VIENNA FOR UNIDO, LONDON FOR IMCO  
**TAGS:** EAID, AORG, OCON, UNDP, UNESCO  
**To:** PARIS  
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